

Gifts

On special occasions, campaign funds may be used to purchase gifts or make donations of nominal value to persons other than the members of the candidate's family. 113.1(g)(4).

Third-Party Payments of Personal Use Expenses

General Rule

Generally, when a third party (not the candidate or the candidate's committee) pays for personal use expenses, the third party makes a contribution, subject to the restrictions and limitations of the Act. 113.1(g)(6).

Exceptions

No contribution will result, however, if the payment would have been made irrespective of the candidacy. For example, a third party may make the following payments without making a contribution:

- Payments to a legal expense trust fund established under House and Senate rules;
- Payments made from an account the candidate holds jointly with a family member; and
- Payments that began prior to candidacy. For example, if the candidate's parents had been making college tuition payments for the candidate's children, the parents could continue to do so during the campaign without making a contribution.

Compensation to Candidate

Compensation paid to a candidate by a third party as a continuation of payments made prior to candidacy are not considered contributions as long as such payments:

- Result from bona fide employment independent of the candidacy;
- Are exclusively in consideration of the services provided as part of this employment; and
- Represent pay comparable to that normally received for such services.

113.1(g)(6).

CHAPTER 10 Transfers

This chapter describes the different types of transfers that *authorized committees* may receive and make. Transfers of funds and assets between federal committees authorized or established by the same *candidate* are generally unlimited because the committees are considered *affiliated committees*. Note, however, that an authorized committee of a federal candidate may not accept any transfers of funds or assets from a committee established by the same candidate for a nonfederal election. See Section 5, below.

1. Transfers Between Candidate's Committees for Same Office

In the Same Election

Funds and assets may be transferred without limit between a candidate's *principal campaign committee* and the candidate's other authorized committees for the same office during the same *election*. Note, however, that an authorized committee may not transfer funds to another authorized committee of the same candidate if the transferring committee has net debts outstanding. 110.3(a)(1)(i) and 116.2(c)(2).



In Different Elections

Funds and assets may be transferred without limit between committees authorized by a candidate for the same office in different elections¹ as long as the transferring committee does not have net debts outstanding. 110.3(c)(4) and 116.2(c)(2).

2. Transfers Between Committees of Candidate Seeking More Than One Office

In the Same Election Cycle

When an individual seeks election to more than one federal office during the same *election cycle* or overlapping election cycles, he or she must establish separate *principal campaign committees* and must maintain completely separate campaign organizations. 110.8(d)(1). Contributors also have separate limits with respect to the separate campaigns of the same candidate. Special transfer rules apply to transfers between these committees. The situations to which these rules apply can be illustrated with the following examples:

- Candidate A runs for both the House and the Presidency in the 2000 primary election (as permitted by state law).
- Candidate B begins the 1998 election cycle as a House candidate but later begins a campaign for a Senate seat in 1998.

Prohibited While "Actively Seeking" More Than One Office

No transfers of funds or assets may be made between a candidate's separate campaign committees while the candi-

1. Note that, for the purposes of the contribution limits, if the transferred contributions were originally made:

- after the previous election was held; or
- after the candidate withdrew or otherwise ceased to be a candidate in the previous election,

contributions transferred from the previous campaign to the current campaign must be aggregated with contributions by the same donors to the current campaign.

110.3(c)(4)(iii) and (iv). See page 13 for information on how to determine the date when a contribution is made. Other rules also apply to contributions that a committee receives after an election; see "Designated and Undesignated Contributions" on page 12.